

Fiscal Services Division

Legislative Services Agency

Fiscal Note

SF 2413 – Legalizing Act (LSB 6627 SV)

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Fiscal Note Version – New

Description

Senate File 2413 provides an extension for school districts to apply for modified allowable growth from the School Budget Review Committee (SBRC). **Section 1** applies to school districts that were eligible to receive modified allowable growth for the conversion to Generally Accepted Accounting Principles (GAAP) in FY 2007 but did not submit the request on time. **Section 2** applies to school districts that were eligible to receive modified allowable growth for on-time funding in FY 2007 or FY 2008 but did not submit the request on time. The Bill requires that eligible school districts must submit an application to the SBRC by June 15, 2008.

Assumptions

Section 1: One district may be eligible for modified allowable growth for GAAP conversion purposes totaling \$0.9 million.

Section 2:

- In FY 2007, six districts that were eligible to request modified allowable growth for on-time funding totaling \$1.4 million did not make the request.
- In FY 2008, five districts that were eligible to request modified allowable growth for on-time funding totaling \$0.5 million did not make the request.

Modified allowable growth provides each district the ability to levy property taxes at the local level and becomes part of the school district's spending authority. Unspent spending authority remains with the school in future years and will eventually be levied. This analysis assumes that any modified allowable growth approved by SBRC will be levied in FY 2009.

Fiscal Impact

There is no impact to the State General Fund. The estimated property tax impact will vary by the 12 eligible school districts. Statewide the total property tax will range from \$0 to \$2.8 million in FY 2009.

Sources

Iowa Department of Education
Iowa Department of Management

/s/ Holly M. Lyons

April 14, 2008

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
